

HRA INVESTMENT PLAN
REPORT OF DEPUTY CHIEF EXECUTIVE (COMMUNITY
DIRECTION)



Hinckley & Bosworth
Borough Council

A Borough to be proud of

WARDS AFFECTED: ALL WARDS

1. **PURPOSE OF REPORT**

To seek Council approval for the HRA Investment Plan, detailed in appendix 1.

2. **RECOMMENDATION**

That Council:

- 2.1 Approve the HRA Investment Plan and associated budget profile as outlined in section 3.4.
- 2.2 Approve Delegated Authority to the Deputy Chief Executive (Corporate Direction), in consultation with the Deputy Chief Executive (Community Direction), Executive Member for Finance, ICT & Asset Management and the Executive Member for Housing to approve individual budget schemes (revenue and capital) within the investment profile approved in 2.1. This will include budgets for any Treasury Management streams (e.g. interest and minimum revenue provision) and financing arrangements (e.g. draw down of reserves and borrowing).
- 2.3 Agree that quarterly reports on the implementation of the HRA Investment are presented to the Executive on a quarterly basis, with an Annual Report to be presented to Council alongside the annual budget outturn report.

3. **BACKGROUND TO THE REPORT**

- 3.1 The Council Housing Investment Strategy and Business Plan 2012 – 2017 was adopted by Council in June 2013. The aims of the Strategy were to:
- Continue to invest in existing stock to maintain good quality homes.
 - Invest in new build schemes/acquire affordable housing to increase the amount of affordable housing to increase the amount of affordable housing available.
 - Refurbishment/regeneration of stock which no longer meets needs.
 - Environmental improvements to estates to ensure they are clean and safe.
 - Invest in service delivery.
 - Develop and maintain effective engagement with tenants.
- 3.2 Members were advised that the plan would be refreshed annually and that actions during 2012/13 would be:
- validate the stock condition information in order that we know the investment programmes required to maintain the condition of the stock over 30 years.
 - Carry out a viability study of sheltered schemes to understand their future viability and can make decisions on their future.

- Consult with tenants on their priorities for the future investment in the housing stock and use of the opportunities afforded by self financing.
- Carry out service reviews to identify whether pressures on delivery are appropriately resourced.

3.3 These actions have been progressed and the attached HRA Investment Plan (appendix 1) sets out the outcomes of this work, identifies priorities for investment and advises where further work is required.

3.4 The investment proposals detailed below reflect tenant priorities and provide a balance between investment in existing stock and services, and increasing the supply of council housing to meet housing need.

Programme	2014	2015	2016	2017	2018	Total
Service investment (ongoing)	100	100	100	100	100	500
Stock enhancements	60	596	146	806	371	1,979
New Build/Acquisition	2,500	2,500	2,500	2,000	2,500	12,000
Total	2,660	3,196	2,746	2,906	2,971	14,479
Peak Borrowing	70,197	70,197	70,197	70,197	70,889	70,889
Useable Reserves	5,227	3,264	1,778	850	850	

3.5 The Scrutiny Commission on 4th July 2013 received a presentation on the HRA Investment Plan. Following discussion the following recommendations were made:

- support the increase of new housing stock;
- focus on S106 and rural exception sites for new stock;
- ensure links with energy companies for contributions to new boilers.

4. FINANCIAL IMPLICATIONS [KB]

4.1 The main sources of funding for the Housing Investment Plan include:

- Borrowing available between the Councils current balances and the limit outlined by Government in the Self Financing Settlement.
- Reserves created from surpluses within the Housing Repairs Account. The HRA Business Plan forecasts that a balance in excess of £10.00million will be achieved by 2018.
- Commuted sums, particularly the significant contribution from Barwell SUE – at the present time, the timing and level of these receipts are currently under review.
- Right to Buy receipts retained for affordable housing – the Council has signed up to revised right to buy guidance, which allows certain receipts to be retained on the condition that they are spent within a set period for the purpose of Affordable Housing. As at 31st March 2013, the Council held

£0.131million of these receipts which, in line with the guidance should fund £0.518million of spend by 31st March 2016.

- Additional funding streams obtained through Energy Companies and other Government Agencies (e.g. HCA)

4.2 The provision of additional affordable housing will also increase rental income to the HRA and therefore balances on this fund. Any new affordable housing will additionally contribute towards New Homes Bonus which equates to 6 years of Council Tax for each property, with an additional £300 for affordable homes.

4.3 The total investment required from the Council to fund the approved Investment Plan is outlined in section 3.4 above. Once confirmed, agreed schemes will be scoped. In order to set up these budgets, Delegated Authority has been requested for the Deputy Chief Executive (Corporate Direction), in consultation with the Deputy chief Executive (Community Direction) Executive Member for Finance, ICT & Asset Management and the Executive Member for Housing to approve individual budget schemes (revenue and capital).

5. LEGAL IMPLICATIONS (AB)

None raised directly by this report.

6. CORPORATE PLAN IMPLICATIONS

The HRA Investment Plan contributes to decent, well managed and affordable homes.

7. CONSULTATION

Consultation took place with tenants (28% return rate) and applicants on the Housing Register. Details of the consultation are contained in the HRA Investment Plan.

8. RISK IMPLICATIONS

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Affordable housing delivery is dependable on a number of factors, including available land and capacity of development partners.	Develop a detailed delivery plan.	Valerie Bunting.
Welfare reform could impact on income collection and bad debt, further impacting on resourcing of the HRA Investment Plan.	Review service to ensure income collection is maximised.	Sharon Stacey
Changes to rent formula announced by Government.	Contribute to Government consultation and incorporate changes into the Business Plan.	Katherine Bennett.

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

Council housing provides a housing solution to lower income residents and therefore the proposed increase in council housing will contribute to meeting housing need from those unable to access other forms of housing. It has been recognised that meeting housing need in the rural areas is a particular challenge and the HRA Investment Plan provides an opportunity for the council to contribute to meeting some of this need.

Investment in current housing stock, including affordable warmth measures through the ECO, will benefit tenants on lower incomes, who will be possibly be experiencing fuel poverty.

Consultation has taken place with tenants and applicants on the Housing Register to take into account their view.

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background papers: None

Contact Officer: Sharon Stacey 5636
Executive Member: Councillor M Mullaney